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TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS IMMEDIATE

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TAGS: OAS, PPDC

SUBJECT: VIII OAS GENERAL ASSEMBLY: SECOND DAY

USDEL 2

REF: STATE 158484 STATE 159767

FOLLOWING IS CORRECTION OF STATE 159767:

SUMMARY: SECOND DAY OF OASGA WAS DEVOTED TO FIRST AND SECOND CLOSED SESSIONS OF INFORMAL DIALOGUE AMONG FOREIGN MINITERS, PLUS ORGANIZATION OF FOUR PRINCIPAL COMMITTEES. IN ADDITIOL, SECRETARY VANCE HOSTED CHIEFS OF DELEGATION AT STATE DEPARTMENT LUNCHEON. MORNING AND AFTERNOON SESSIONS WERE DOMINATED BY LATIN AMERICAN CRITICISM OF US ECONOMIC/TRADE POLICIES WITH PRESCRIPTION THAT OAS REFORM FOCUS ON MEASURES TO FORCE LIMITED OFFICIAL USE

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US TO DEAL WITH ECONOMIC ISSUES IN OAS FRAMEWORK. END SUMMARY.

- $1.\ OGSA\ ACTIVITIES\ CENTERED\ AROUND\ OPENING\ OF$
- OASGA ACTIVITIES CENTERED AROUND OPENING OF INFORMAL DIALOGUE AMONG FOREIGN MINISTERS

WHICH WAS TO TREAT FOUR SEPARATE TOPICS: PANAMA CANAL

TREATY, RESTRUCTURING OF OAS, ECONOMIC/TRADE ISSUES, AND HUMAN RIGHTS. MINISTERS MADE NO ATTEMPT TO AGREE ON ORDER OF CONSIDEDATION OF QUESTIONS IN INFORMAL DIALOGUE. FOREIGN MINISTER OF COLOMBIA RAISED ECONOMIC/TRADE QUESTIONS IMMEDIATELY FOLLOWING STATEMENTS ON PANAMA; THEREAFTER INSTITUTIONAL AND ECONOMIC ISSUES WERE DISCUSSED TOGETHER.

- 2. MORNING SESSION OPENED WITH DISCUSSION OF CANAL TREATY WITH PANAMA AND U.S. REPORTING SUCCESSFUL CONCLUSION OF TREATY, THANKING OTHER OAS MEMBERS FOR SUPPORT AND ASSISTANCE, AND CALLING FOR ADOPTION OF RESOLUTTONS TO BE SUBMITTED BY PANAMA AND US. A NUMBER OF OTHER COUNTRIES, INCLUDING VENE; UELA, URUGUAY, ECUADOR, EL SALVADOR, COLOMBIA, PERU AND GUATE-MALA EXPRESSED CONGRATULATIONS AND HOPE THAT CANAL TREATY WOULD SERVE AS MODEL FOR PEACEFUL SETTLEMENT OF DISPUTES IN HEMISPHERE. GUATEMALA REP (VICE PRESIDENT ELECT VILLAGRAN KRAMER) MADE SPECIAL POINT THAT THE NEW GOG (TO BE INAUGURATED ON JULY 1) IS RESOLVED TO ENTER INTO "INTENSIVE" DIALOGUE WITH ALL PARTIES TO END BELIZE DISPUTE. INCLUDING BOTH HMG AND GOVERNMENT OPPOSITION AND 'PEOPLE' OF BELIZE. HE AID CONTACTS HAD ALREADY BEEN MADE WITH BELIZEANS.
- 3. HALF-HOUR DISCUSSION OF PANAMA CANAL WAS INTER-LIMITED OFFICIAL USE

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RUPTED 9Y COLOMBIAN FOREIGN MINISTER LIEVANO WHO BROACHED WHOLE SERIES OF ECONO IC/TRADE ISSUES, RETURNING TO THEMES HE RAISED IN INT ODUCING PRE IDENT CARTER AT OPENING SESSION (SEE REF TEL). LIEVANO'S LENGTHY INTERVENTION LINKED FAILURE OF OAS TO DEAL EFFECTIVELY WITH ECONOMIC ISSUES TO "FATE" OF ORGANIZATION AND CRITICIZED THE TENDENCY IN RECENT YEARS TO DEBATE MOST IMPORTANT OF THESE ISSUES EXCLUSIVELY IN EXTRAHEMISPHERIC FORA SUCH AS GATT. LIEVANO ARGUED THAT MEANS HAD TO BE FOUND TO REVITALIZE THE OAS AS A 'PRIOR' FORUM OR COURT OF FIRST INSTANCE." HIS REMARKS WERE DISTINCTLY CRITICAL OF STAND US HAS TAKEN ON GLOBAL ECONOMIC ISSUES AS CONTRASTED WITH REGIONAL ISSUES OF PEACE-

KEEPING AND HUMAN RIGHTS. LIEVANO'S SPEECH WAS FOLLOWED BY INTERVENTIONS FROM FOREIGN MINISTERS OF PERU, URUGUAY, AND ARGENTINA, ALL OF WHOM COMBINED CRIRICISM OF CURRENT INEFFECTIVENESS OF OAS WITH COMPLAINTS ABOUT US PROTECTIONISM AND DISADVANTAGES SUFFERED BY LATIN AMERICA IN TERMS OF TRADE AND ACCESS TO FINANCING.

4. ARGENTINE FONMIN MONTES SAID GOA REJECTED TWO MODELS OF DEVELOPMEN,, QUOTE IMPERIALIST UNQUOTE INTEGRATION OF ITS ECONOMY WITH FINAL END OF ABSORPTION AND QUOTE TECHNOCRATIC UNQUOTE MODEL WHICH SEEKS TO EXTEND FOR ULAS OF HIGHLY DEVELOPED ECONOMIES TO THOSE OF DEVELOPING STATES. ON FUTURE OF THE OAS, MONTES EXPRESSED INTEREST IN WIDE-RANGING REFORM THAT WOULD NOT BE LI,ITED TO MANIPULATION OF ORGANIZATION CHARTS ON PAPER BUT WOULD ADAPT STRUCTURE TO NEW CONCEPTS ALIVE IN WESTERN HEMISPHERE. IN PARTICULAR, MONTES SAID ARGENTINA DID OT BELIEVE OAS COULD GO ON RECEIVING TWO-THIRDS OF LIMITED OFFICIAL USE

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ITS FINANCIAL SUPPORT FROM ONLY ONE MEMBER; ALL MEMBERS MUST SUPPORT GENEROUSLY A REVITALIZED OAS THAT SERVED INTERESTS OF ALL.

- 5. AT AFTERNOON INFORMAL DIALOGUE SESSION, FONMIN SILVEIRA OF BRAZIL LED OFF WITH ATTACK ON ALLEGED WAVE OF PROTECTIONISM IN THE US, ON CONTINUED EXCLUSION OF VENEZUELA/ECUADOR FROM GSP BENEFITS, AND ON SALES OF STRATEGIC STOCKPILE COMMODITIES THAT DAMAGED ECONOMIES OF LATIN AMERICAN COUN S. AMBASSADORS OF PANAMA AND MEXICO MADE SAME CRITICISMS
- 6. AS WE HAD HOPED, HOWEVER, MEXICAN DELEGATION SUGGESTED ESTABLISHMENT OF A SMALL COMMITTEE TO STUDY INTER-AMERICAN SYSTEM AND FIND MEANS OF INPROVING DIALOGUE BETWEEN US AND LATIN AMERICAN NATIONS. FONMIN ROEL WAS ABSENT, HOWEVER, REDUCING FORCE OF MEXICAN PRESENTATION, WHICH AMBASSADOR DE LA COLINA LABELLED AS QUOTE EXPRESSION OF VIEWS UNQUOTE RATHER THAN FORMAL HROPOSAL. PRIVATELY,

HE TOLD AMUASSADOR MCGEE ROEL MIGHT AKE FORMAL PRESENTATION LATER IN DIALOGUE AND MEXICO WOULD SUBMIT RESOLUTION TO COMMITTEE I NEXT WEEK.
PERUVIAN AMBASSADOR MARC AND AGRELD WITH IDEA OF SMALL GROUP TO STUDY MEANS FOR COLLABORATIVE RESTUDY OF OBJECTIVES AND NEW MECHANISMS TO GOVERN OAS OPERATIONS FOR REMAINDER OF CENTURY. HE MADE POINT THAT SUCCESS IDEA WOULD ULTI ATELY DEPEND ON ATTITUDE OF US AND HE POINTEOLY SUGGESTED US RESPOND TO MEXICAN IDEA. UNDERSECRETARY NEWSOM PRESENTED US POINT OF VIEW, EXLIMITED OFFICIAL USE

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PRESSING GENERAL AGREEMENT WITH MEXICAN PROPOSAL TO OR; ANIZE HIGH-LEVEL COMMITTEE THAT WOULD REPORT BACK TO IX OASGA. NEWSOM STRONGLY EMPHASIZED THAT, FOR USF, IT IS ESSENTIAL THAT FUTURE GOALS OF OAS SHOULD BE DEFINED AND AGREED UPON BEFORE ORGANIZATIONAL REFORM IS ATTEMPTED AND THAT REFORM PROPOSALS SHOULD BE ADOPTED BY CONSENSUS.

- 7. AT THIS POINT, GUATEMALAN AMBASSADOR CASTILLO ARRIOLA PROPOSED, IN LIEU OF THE MEXICAN IDEA, THAT GENERAL ASSEMBLY INSTRUCT PERMANENT COUNCIL TO CONTINUE WORK ON THREE DRAFT INSTRUMENTS (STALLED BY US SINCE 1976), WORK OUT COMPROMISES BETWEEN US AND LATIN AMERICA (PERHHPS BY MEANS OF NEGOTIATING COMMISSION) BUT, INSTEAD OF DELAYING REPORT UNTIL IX OASGA, CONVENE SPECIAL GA ORIGINALLY PLANNED TO ADOPT PROTOCOL OF REVISED OAS CHARTER. FYI. WE CANNOT AGREE TO PUT REFORM BACK INTO PERMANENT COUNCIL WITH LITTLE HOPE OF COMPROMISE ON THORNY ISSUES THAT HAVE TROUB DRAFT INSTRUMENTS SINCE 1976 ANO POOR PROSPECTS OF ANY SERIOUS REORDERING OF GOALS AND FUNCTIONS. END FYI.
- 8. AS VIII GA SHAPES UP, THE FOLLOWING PATTERN IS EMERGING. LATIN/CARIB EAN PRIORITY IS CLEARLY ON ECONOMIC ISSUES, WHICH THEY ARE LINKING WITH INSTITUTIONAL QUESTIONS. PANAMA ISSUE, AS EXPECTED, HAS BEEN DISPOSED OF QUICKLY. REFORM OF OAS MAY BE HANDED OVER TO NEGOTIATING COMMISSION UUT NEED TO REPORT BACK TO PERMANENT COUNCIL, RATHER THAN DIRECTLY TO IX OASGA, COULD COMPLICATE ISSUE FOR US. ON HUMAN RIGHTS, SOUTHERN CONE, TOGETHER WITH NICARAGUA AND EL SALVADOR, ALL UNDER ATTACK

FROM ABROAD FOR OFFENSES OR UNDER SCRUTINY BY IAHRC, WILL TRY TO ADOPT A LOW PROFILE AND AVOID CONFRONTATION LIMITED OFFICIAL USE

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AT THIS GA. THUS, DAYS PRECEDING OPENING OF GA HAVE BEEN SPATE OF LAST-MINUTE INVITATIONS FOR IAHRC TO VISIT AND RATIFICATIONS OF PACT OF SAN JOSE AS CERTAIN OFTHESE GOVERENMENTS MOVE TO CLEAN UP THEIR ACTS BEFORE ASSEMBLY TAKES UP HUMAN RIGHTS ISSUE. THEREFORE, THIS DEBATE MAY WELL OCCUPY LESS TIME AND GENERATE LESS HEAT THAN EXPECTED. IN THE END,

VIII GA MAY BE NOMINATED BY EFFORT OF LATIN/CARIBBEAN NATIONS TO PRESSURE THE US TO ENTER SERIOUS NEGOTIATIONS ON INSTITUTIONAL QUESTIONS IN ORDER TO FORCE US TO ADDRESS ECONOMIC ISSUES WITHIN THE OAS FRAMEWORK IN COMING YEARS. VANCE

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